

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6703

BILL NUMBER: HB 1139

DATE PREPARED: Feb 15, 2001

BILL AMENDED: Feb 14, 2001

SUBJECT: Nurse Aide Training.

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		290,000	72,500
Net Increase (Decrease)		(290,000)	(72,500)

Summary of Legislation: This bill requires a nurse aide who is hired to work in a health facility to complete a nurse aide training program. The bill requires that a nurse aide training program must consist of at least 36 hours of classroom instruction, at least six of which are in the area of Alzheimer's disease or related dementia. It also requires that a nurse aide training program consist of at least 75 hours of supervised clinical experience, at least 16 hours of which are directly supervised practical training. The bill further requires a nurse aide employed by a health facility to complete 14 hours of in-service training, at least two of which are in the area of Alzheimer's disease or related dementia, every calendar year. It gives nurse aides who are employed by a health facility before July 1, 2001, until July 1, 2002, to complete six hours of training in the area of Alzheimer's disease or related dementia.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill would codify nurse aide training requirements that are similar to those included in Administrative Rules of the Department of Health. The bill would add six additional hours of initial classroom training for Alzheimer's disease or related dementia for newly hired nurse aides. In addition, the bill would require two more hours of annual in-service training to be focused on Alzheimer's or related dementia. The bill further requires that nurse aides employed by a health facility before July 1, 2001, have twelve months to complete six hours of training in Alzheimer's disease or related dementia. The

bill would require a revision of the existing Board of Health rules to bring them into compliance with the specific training requirements in the bill.

Nurse aide training is included in the Medicaid Program direct care component of the health facility reimbursement rate. Additionally, the initial training period of 36 classroom hours is not counted in the facility's staffing ratio, so the additional 6 hours of training would constitute hours that must be staffed in the facility during the initial training hours. The requirement for 6 hours of Alzheimer's and the annual increase of 2 hours of in-service training applies to all employed nurse aides. According to Myers and Stauffer, the Medicaid nursing home rate setting contractor, there are approximately 12,500 FTE Certified Nurse Aides (CNA) employed by health facilities. If an additional 8 hours of training is required in the first year, this bill will require an additional 100,000 hours of staffing. If it is assumed the composite hourly rate, including benefits is \$11.24, the bill would add additional first year costs of \$1.1 M to the nursing facilities. This additional cost is only for the required increase in training hours, it does not include potential costs associated with replacement patient care staffing. Medicaid utilization of health care facilities is estimated to be about 68% so Medicaid expenditures would increase by approximately \$764,000. The state Medicaid match rate for FFY 2002 is estimated to be .3796 resulting in a state General Fund impact in FY 2002 estimated to be \$290,000.

Insufficient information is available to estimate the full cost of this bill in the second year since the turnover rate for CNA positions is unknown at this time. However, the additional 2 hours of in-service training is an ongoing requirement that is estimated to add \$281,000 in total expenditures to the cost of health facilities. (12,500 CNA's x 2 hours x \$11.24 hourly rate.) The General Fund Medicaid impact would be about \$72,500. These estimates do not consider any additional cost associated with the training such as travel, materials and supplies, instructors, etc..

It is assumed that the necessary revisions or repeals of the State Department of Health's rules regarding the training requirements for Nurse Aides could be accomplished within the current budget level of the agency.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: The Family and Social Services Administration, Medicaid Program; Department of Health.

Local Agencies Affected:

Information Sources: 410 IAC 16.2-3.1-14; 405 IAC 1-14.6-2; Karen Filler, FSSA, Office of Medicaid Policy and Planning, Myers and Stauffer.